

LNF & IHCIF Calculations Illustration

- TONONO O'ODHAM in Tucson area -

Given Data

- 18,768 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 24% = % Expenditures on purchased services, 76% = % expenditures in-house
- 101.2% = Cost index for purchasing health care in this geographic area
- 93.6% = Size cost index for in-house costs due to small or large size
- 104.9% = Tucson area cost index for health status above or below average

Cost Adjustment Calculations

- \$712 per person for purchased services = $24\% * 101.2\% * \$2,980$
- \$2,132 per person for in-house services = $76\% * 93.6\% * \$2,980$
- \$2,843 per person total = \$712 (purchase) + \$2,132 (in-house)
- **\$2,983 per person total** adjusted for health status = $\$2,843 * 104.9\%$
- **\$2,238 per person net cost** = $\$2,983 - \745 Other resources (M&M&PI)

Existing Expenditures (for 18,768 users excluding wrap-around and collections)

- \$822 per person = local IHS allowance (excludes \$ for wrap-around)
- \$229 per person = expenditures elsewhere in Tucson area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$1,105 per person for OU users** = $\$822 + \$229 + \$54$

LNF Calculation

- **37.0% Gross LNF** = $\$1,105$ (expenditures) / $\$2,983$ total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **49.4% Net LNF** = $\$1,105 / \$2,238$ net cost ($\$2,983 - \745 other)

IHCIF Allocation

- \$4,473,416 = \$ to raise LNF% from 49.4% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction = $\$9,000,000$ fund / $\$258,040,100$ needed
- **\$156,033 Allocation** = $\$4,473,416$ needed for 60% * 3.488% IHCIF fraction

TONONO O'ODHAM Unmet Needs

- **\$42,010,002 Net Total Need** = 18,768 users * \$2,238 net cost
- **\$21,277,417 Net Unmet Need** = $(100\% - 49.4\% \text{ LNF}) * 18,768 \text{ users} * \$2,238 \text{ net cost}$